

**STATEMENT OF
PETER S. GAYATAN, PRINCIPAL DEPUTY DIRECTOR
VETERANS AFFAIRS' AND REHABILITATION DIVISION
THE AMERICAN LEGION
TO THE
SUBCOMMITTEE ON HEALTH
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
THE STATUS OF HOMELESS PROGRAMS
CONDUCTED BY THE DEPARTMENT OF VETERANS AFFAIRS' (VA)**

MAY 6, 2003

The American Legion appreciates the opportunity to submit this statement for the record on the status of homeless assistance programs for veterans conducted by the Department of Veterans Affairs (VA), including its coordination with community based providers and other government agencies. The American Legion is a strong advocate for homeless veterans and continues to support programs that help eliminate this national tragedy facing so many of our indigent and destitute former service members.

In January of this year, The American Legion's National Economics Commission, endorsed by our National Commander, Ronald F. Conley, announced the formation of a Homeless Veterans Task Force. This addition to The American Legion Family is a clear example of Commander Conley's dedication to veterans and is evident in his role as Founder and President of The American Legion Department of Pennsylvania Housing for Homeless Veterans Corporation in 1988, which operates eight homes for indigent veterans.

The Congress passed legislation to fund the U.S. Department of Veterans Affairs Health Care for Homeless Veterans, the Homeless Domiciliary Care, and the Compensated Work Therapy (CWT) rehabilitation programs. Some of which have been in partnership with veteran's service organizations and other non-profit associations. The American Legion has been an active partner with these programs and have proven the success in the rehabilitation of veterans to once again become productive citizens.

The American Legion at its National Convention in August 2002 renewed its commitment to assisting homeless veterans and their families. The American Legion supports the efforts of public and private sector agencies and organizations with the resources necessary to aid homeless veterans and their families.

Statistics from the VA's Community Homelessness Assessment, Local Education and Networking Groups (CHALENG) estimate that 299,321 veterans were homeless on any given night during FY 2002, and that as many as 600,000 veterans may have been homeless during the year. As many as 23 percent of the homeless population are estimated to be veterans. While fewer than 9 percent of the country's population are veterans, 34 percent of homeless men are

veterans and three quarters of them served during wartime. It is well established that the most effective program for homeless and at-risk veterans is community-based, non-profit veteran helping veteran groups. The programs that seem to work best are those featuring transitional housing in structured, substance abuse free environments with veterans who are succeeding at bettering their lives due to the camaraderie and shared military experience. Because government money for homeless veterans reaches only about 18 percent of those in need, it is crucial that community based groups reach out to help provide them support, resources and opportunities most Americans take for granted: housing, employment and health care.

Joint Notice of Funds Available (NOFA) Collaborative Initiative

This is a \$35 million initiative, coordinated by the U.S. Interagency Council on the Homeless (ICH), to help end chronic homelessness. This involves the participation of the Department of Housing and Urban Development, the Department of Health and Human Services, and the Department of Veterans Affairs, with the goal to end chronic homelessness through a collaborative and comprehensive approach. Although funds will not be awarded directly to the recipient of the grant, funding is available for the VA facility that partners with the applicant. This funding is intended to offset the costs of services provided to the veterans served by the grant recipient. The applicant is required to submit a plan that describes in detail how a collaborative relationship with VA will be created and sustained in an effort to provide services to chronically homeless veterans.

Pending the availability of funds, up to \$5 million of approximately \$1.12 billion HUD community assistance grants were made available for up to three years. Funds were available for each project and will be in an approximate amount equivalent to the proportionate yearly salary of full-time employees (FTE) to provide professional care or care-coordination/case management for chronically homeless veterans participating in the program and for FTE to assist in data collection and evaluation. A person experiencing chronic homelessness is defined as an unaccompanied individual with a disabling condition, who has been continuously homeless for a year or more or has experienced four or more episodes of homelessness over the last three years.

It is expected that these FTEs will provide necessary and appropriate care for chronically homeless veterans which can include, but is not limited to: case management; direct medical care, mental health or substance abuse treatment, and assistance with veterans benefits. The goal is to provide comprehensive, project- and community-linked substance abuse, mental health and primary care services for chronically homeless veterans.

In FY 2003 approximately \$1.06 billion was made available in the HUD budget for the entire spectrum of HUD community development grants and activities. This "SuperNOFA" is designed to make it easier to find and apply for funding under a wide variety of HUD programs. By providing access to information about available funding at one time, HUD believes applicants are better able to coordinate services within communities, avoid duplication, and more efficiently serve those most in need of assistance. In the FY 2003 VA, HUD and Independent Agencies Appropriations Act, \$60,000,000 was made available of which \$54,642,500 is allocated for grants. VA's portion of this funding appears in the Medical Care Business Line Section of the Veteran's Health Care Administration as Homeless Transitional Housing.

The American Legion is concerned that no amounts appear to be earmarked for the homeless veteran population. In fact, this amount has declined steadily over the past years to where the VA's final budget proposal for FY 2004 is \$787,000 less than FY 2003.

Homeless Providers Grant and Per Diem Program

In 1992, VA was given authority to establish the Homeless Providers Grant and Per Diem Program under the Homeless Veterans Comprehensive Services Programs Act of 1992 (Pub. L. 102-590). The Grant and Per Diem Program is offered annually (as funding permits) by the VA to fund community agencies providing services to homeless veterans. Currently grants of up to 65% of the project are awarded for the construction, acquisition, or renovation of facilities or to purchase vans to provide outreach and services to veterans. In FY 01, 65 grants were awarded to non-profit and local government agencies to develop or expand programs to assist homeless veterans. Total funding for these grants was approximately \$10.5 million, which will be used to create approximately 874 additional beds, 2 independent service centers, and fund 43 new vans to conduct outreach or provide transportation for homeless veterans.

The American Legion is pleased that the funding for the Grant and Per Diem Program has tripled since FY 2002 from \$22.4 million to \$69.3 million.

Americorps

Working with VA staff, eligible VA beneficiary-students may receive funds to help defray school and living expenses. Veterans or a VA eligible beneficiaries, attending school and receiving VA education assistance, may be entitled to participate in this work-for-pay program authorized through the VA Work-Study in this work-for-pay program authorized through the VA Work-Study Allowance Program and the AmeriCorps Education Awards. The VA work-study allowance is available to persons training under the Montgomery GI Bill - Active and Reserve Programs, Post-Vietnam Era Veterans' Educational Assistance Program, Dependents' Educational Assistance Program (limited) and Vocational Rehabilitation.

The American Legion has previously testified that the key to ending homelessness among veterans lies in assisting those veterans in becoming job ready and then assisting them in securing and retaining substantially gainful employment.

Loan Guarantee Program for Homeless Veterans Multifamily Housing

This new initiative authorizes VA to guarantee no more than 15 loans with an aggregate value of \$100 million within 5 years for construction, renovation of existing property, and refinancing of existing loans, facility furnishing or working capital. No more than 5 loans may be guaranteed under this program prior to November 11, 2001. The amount financed is a maximum of 90% of project costs. Legislation allows the Secretary to issue a loan guarantee for large-scale self-sustaining multifamily loans. Eligible transitional projects are those that: 1) provide supportive services, including job counseling; 2) require veteran to seek and maintain employment; 3)

require veteran to pay reasonable rent; 4) require sobriety as a condition of occupancy; and, 5) serves other veterans in need of housing on a space available basis.

VA Assistance to Stand Downs

VA programs and staff have actively participated in each of the Stand Downs for Homeless Veterans run by local coalitions in various cities each year. In wartime Stand Downs, front line troops are removed to a place of relative safety for rest and needed assistance before returning to combat. Similarly, peacetime Stand Downs give homeless veterans 1-3 days of safety and security where they can obtain food, shelter, clothing, and a range of other types of assistance, including VA provided health care, benefits certification, and linkages with other programs. Funding for Stand Downs is included in the Health Care for Homeless Veterans (HCHV) budget line item.

The American Legion is concerned that this be adequately funded. We note that VA's FY 2004 request for HCHV is \$15.2 million less than FY 2004.

Veterans Industries

Veterans Industries is a vocational rehabilitation program of the Department of Veterans Affairs that sub-contracts with many diverse industries. The Veterans Industries programs provide temporary and permanent staffing for information technology, manufacturing, warehousing, construction, office support, retail and the services delivery industry. Veterans Industries programs also provide outsource support in assembly, packaging, sorting, grading, reclaiming, and recycling.

In VA's Compensated Work Therapy/Transitional Residence (CWT/TR) Program, disadvantaged, at-risk, and homeless veterans live in CWT/TR community-based supervised group homes while working for pay in VA's Compensated Work Therapy Program. Veterans in the CWT/TR program work about 33 hours per week, with approximate earnings of \$732 per month, and pay an average of \$186 per month toward maintenance and up-keep of the residence. The average length of stay is about 174 days. VA contracts with private industry and the public sector for work done by these veterans, who learn new job skills, relearn successful work habits, and regain a sense of self-esteem and self-worth.

CHALENG The Community Homelessness Assessment, Local Education, and Networking Groups (CHALENG) for veterans is a nationwide initiative in which VA medical center and regional office directors work with other federal, state, and local agencies and nonprofit organizations to assess the needs of homeless veterans, develop action plans to meet identified needs, and develop directories that contain local community resources to be used by homeless veterans. More than 10,000 representatives from non-VA organizations have participated in Project CHALENG initiatives, which include holding conferences at VA medical centers to raise awareness of the needs of homeless veterans, creating new partnerships in the fight against homelessness, and developing new strategies for future action.

HCMI Program

VA's Homeless Chronically Mentally Ill (HCMI) Veterans Program provides extensive outreach, physical and psychiatric health exams, treatment, referrals, and ongoing case management to homeless veterans with mental health problems (including substance abuse). As appropriate, the HCMI program places homeless veterans needing longer-term treatment into community-based facilities. The program serves over 20,000 homeless veterans each year, with over 3,000 receiving residential treatment. The average length of stay is 73.5 days in a community-based residential care, and the average cost per day is approximately \$39.

DCHV

The Domiciliary Care for Homeless Veterans (DCHV) Program provides biopsychosocial treatment and rehabilitation to homeless veterans. The program provides residential treatment to approximately 5,000 homeless veterans with health problems each year and the average length of stay in the program is 4 months. The centers conduct outreach and referral; vocational counseling and rehabilitation; and post-discharge community support. Funding for DCHV has remained level at just under \$50 million for FY2004. The American Legion supports this effort.

HUD-VASH

This joint Supported Housing Program with the Department of Housing and Urban Development provides permanent housing and ongoing treatment services to the harder-to-serve homeless, mentally ill veterans and those suffering from substance abuse disorders. HUD's Section 8 Voucher Program has designated 1,780 vouchers worth \$44.5 million for homeless chronically mentally ill veterans. VA staffs at 35 sites provide outreach, clinical care and ongoing case management services. Rigorous evaluation of this program indicates that this approach significantly reduces days of homelessness for veterans plagued by serious mental illness and substance abuse disorders.

Supported Housing

Like the HUD-VASH program identified above, staff in VA's Supported Housing Program provides ongoing case management services to homeless veterans. Emphasis is placed on helping veterans find permanent housing and providing clinical support needed to keep veterans in permanent housing. Staffs in these programs operate without benefit of the specially dedicated Section 8 housing vouchers available in the HUD-VASH program, but are often successful in locating transitional or permanent housing through local means, especially by collaborating with Veterans Service Organizations.

Drop-In Centers

These programs provide a daytime sanctuary where homeless veterans can clean up, wash their clothes, and participate in a variety of therapeutic and rehabilitative activities. Linkages with longer-term assistance are also available.

SSA-VA Outreach

In this pilot project with the Social Security Administration, HCMI and Homeless Domiciliary staff coordinates outreach and benefits certification with SSA staff to increase the number of veterans receiving SSA benefits and otherwise assist in their rehabilitation. In this demonstration project, both applications and benefits awards have increased significantly and the time to process applications has decreased dramatically.

Comprehensive Homeless Centers

VA's Comprehensive Homeless Centers (CHCs) place the full range of VA homeless efforts in a single medical center's catchment area and coordinate administration within a centralized framework. With extensive collaboration among non-VA service providers, VA's CHCs in Anchorage, AK; Brooklyn, NY; Cleveland, OH; Dallas, TX; Little Rock, AR; Pittsburgh, PA; San Francisco, CA; and West Los Angeles, CA, provide a comprehensive continuum of care that reaches out to homeless veterans and helps them escape homelessness.

VBA-VHA Special Outreach and Benefits Assistance

VHA has provided specialized funding to support twelve Veterans Benefits Counselors as members of HCMI and Homeless Domiciliary Programs as authorized by Public Law 102-590. These specially funded staff provides dedicated outreach, benefits counseling, referral, and additional assistance to eligible veterans applying for VA benefits. This specially funded initiative complements VBA's ongoing efforts to target homeless veterans for special attention. To reach more homeless veterans, designated homeless veterans coordinators at VBA's 58 regional offices annually make over 4,700 visits to homeless facilities and over 9,000 contacts with non-VA agencies working with the homeless and provide over 24,000 homeless veterans with benefits counseling and referrals to other VA programs. These special outreach efforts are assumed as part of ongoing duties and responsibilities. VBA has also instituted new procedures to reduce the processing times for homeless veterans' benefits claims.

VBA's Acquired Property Sales for Homeless Providers

This program makes all the properties VA obtains through foreclosures on VA-insured mortgages available for sale to homeless provider organizations at a discount of 20 to 50 percent, depending on time of the market.

VA Excess Property for Homeless Veterans Initiative

This initiative provides for the distribution of federal excess personal property, such as hats, parkas, footwear, socks, sleeping bags and other items to homeless veterans and homeless veteran programs. A Compensated Work Therapy Program employing formerly homeless veterans has been established at the Medical Center in Lyons, NJ to receive, warehouse, and ship these goods to VA homeless programs across the country.

Program Monitoring and Evaluation

VA has built program monitoring and evaluation into all of its homeless veterans' treatment initiatives and it serves as an integral component of each program. Designed, implemented, and maintained by the Northeast Program Evaluation Center (NEPEC) at VAMC West Haven, CT, these evaluation efforts provide important information about the veterans served and the therapeutic value and cost effectiveness of the specialized programs. Information from these evaluations also helps program managers determine new directions to pursue in order to expand and improve services to homeless veterans.

Mr. Chairman and Members of the Subcommittee, The American Legion asks Congress to continue its support of these essential programs designed to help indigent veterans find avenues to again become contributing citizens of our country. The Congress needs to enhance these programs in coordination with other employment and training services like Veterans Employment and Training Services (VETS) that can help bridge the transition for these homeless veterans into the mainstream workforce. In addition, creating greater emphasis on mental health services and continued support for veterans' health care and other medical services that are often needed by this particular veteran's population. No one in America should be homeless; no veteran should find themselves on the streets without the support of their nation. The reasons for homelessness are many but it is within our power to end this indignity and provide for those who have defended this nation to ensure its prosperity.